



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

*Replaced
4/10/03*

December 3, 2001

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director *MAW*

THRU: Wayne Hedberg, Permit Supervisor *DWH*

FROM: Doug Jensen, Senior Reclamation Specialist *DJ*

RE: Request for Approval of Form and Amount of Reclamation Surety, Deseret Generation and Transmission Co-operative, Deseret Mountain Mine, M/047/066, County, Utah

On October 16, 2001, the Division performed an inspection of this mine site to determine the acreage and see if the Plan of Operations they submitted to the U.S. Forest Service and copied to this Division was to be permitted as a small mine or a large mine site. Using a GPS it was determined that the site is at 17.64 acres of disturbance. Therefore, on October 24, 2001, the Division issued a directive to cease mining until this issue was resolved. In a subsequent meeting held with the operator it was decided that the operator must post a \$88,200 "transitional surety" by November 26, 2001 and submit a Notice of Intention to Commence Large Mining Operations by December 12, 2001. This would allow them to continue operations on the 17.64 acres of disturbance. They were advised that the transitional surety may have to be adjusted either up or down when the review of the large mining notice is finalized.

The operator provided the Division with a Transitional Reclamation Contract and an Irrevocable Letter of Credit No. ZSB800303 issued by Zions Bank in the amount of \$190,000. They anticipate they may eventually disturb up to 38 acres; therefore, they chose to post additional surety at this time.

If you are in agreement with the acceptance of the transitional reclamation surety please sign and date the Transitional Reclamation Contract. We will then send the operator a copy of the documents for their records. Thank you for your consideration of this request.

jb
Enclosure: Transitional RC & LOC
M47-66-dir-sign-mem.doc

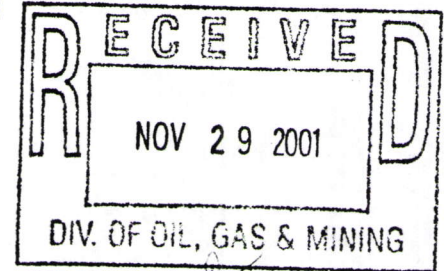
FORM MR-TRC
RECLAMATION CONTRACT
(SMO - LMO transition)
(Revised April 17, 2001)

DOGM File Number M/047/066

Effective Date Dec. 18, 2001

Other Agency File Number USFS

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
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TRANSITIONAL RECLAMATION CONTRACT

---ooOoo---

*Replaced
4/11/03
Returned to
operator
4/11/03*

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/047/066
Limestone

"MINE LOCATION":
(Name of Mine)
(Description)

Deseret Generation and Transmission
Diamond Mountain Resources Limestone Mine
It is a lode, development & production Mine.
The mine is located about 26 miles North East
of Vernal, Utah

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)
(Topographic Map)

less than 40 acres
(refer to "Attachment A")
("Attachment C", disturbed area boundary)

"OPERATOR":
(Company or Name)
(Address)

Deseret Generation & Transmission Co-operati
10714 South Jordan Gateway, Suite 300
South Jordan, UT 84095

(Phone)

801/619-6521

"OPERATOR'S REGISTERED AGENT":
(Name)
(Address)

David F. Crabtree
10714 South Jordan Gateway, Suite 300
South Jordan, UT 84095

(Phone)

801/619-6521

See Attachment "D"

Letter of Credit

Zions First National Bank

\$190,000.00

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

B "SURETY":

Page 2 of 7
Form MR-TRC
(SMO-LMO Transition)
Revised April 17, 2001

Division. The approved form and amount of surety is attached hereto as Attachment B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Division in writing. If the form of surety expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the surety, the Operator shall provide a replacement surety in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.

3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules including but not limited to, the previously accepted Small Mining Notice, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies 1) that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, and the previously accepted Small Mining Notice, as amended, or 2) until a mining and reclamation plan for a large mining operation has been approved by the Division and the final Reclamation Contract and surety are in place.
6. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
7. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State of Utah, and is in addition to any other rights and authorities the Division and Board have to seek relief from the Operator.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.

10. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an Order to revoke the Small Mining Notice of Intention, order reclamation, or order forfeiture of the surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract including the Small Mining Notice of Intention, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Deseret Generation & Transmission Co-operative
Operator Name

By Soren K. Sorensen
Authorized Officer (Typed or Printed)

Senior Vice President and CFO
Authorized Officer - Position

Soren K. Sorensen
Officer's Signature

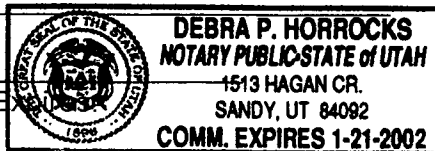
11/14/01
Date

STATE OF UTAH)
COUNTY OF Salt Lake) ss:

On the 14th day of November, 2001, Soren K. Sorensen
personally appeared before me, who being by me duly sworn did say that he/she is the Senior VP & CFO of Deseret Generation & Transmission Co-operative and duly
acknowledged that said instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said Soren K. Sorensen
duly acknowledged to me that said company executed the same.

Debra P. Horrocks
Notary Public
Residing at _____

My Commission Expires _____



DIVISION OF OIL, GAS AND MINING:

By

Mary Ann Wright
Mary Ann Wright, Associate Director

Date

December 18, 2001

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 18th day of December, 20 01, Mary Ann Wright
personally appeared before me, who being duly sworn did say that she, the said
Mary Ann Wright is the Associate Director of the
Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she
duly acknowledged to me that she executed the foregoing document by authority of law on
behalf of the State of Utah.

Joelle Burns
Notary Public

Residing at: Salt Lake City UT.

April 4, 2005
My Commission Expires:



ATTACHMENT "A"

Deseret Generation and
Transmission Co-operative
Operator

Diamond Mountain Resources Limestone Mine
Mine Name

M/047/066
Permit Number

Uintah County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed is:

Portions of the following lands, totaling 17.34 acres of current disturbance as reflected on the attached GPS map from information gathered 10/16/2001.

S/2 SW/4 SW/4, Section 15

E/2 NE/4 NE/4, Section 21

W/2 NW/4 NW/4, Section 22

Township 1 South, Range 22 East, SLBM

ATTACHMENT D

DESERET GENERATION & TRANSMISSION CO-OPERATIVE
OFFICERS

Kim Charles
Chairman

Durand Robison
Vice Chairman

Dean Stubbs
Secretary/Treasurer

Kimball R. Rasmussen
President & CEO

Debra Horrocks
Assistant Secretary

Soren K. Sorensen
Senior Vice President and CFO

David F. Crabtree
Vice President and General Counsel

J. Edward Thatcher
Vice President/Chief Engineer

Curtis K. Winterfeld
Vice President of Marketing